

METRONIC GLOBAL BERHAD
[Registration No. 200301029648 (632068-V)]
(Incorporated in Malaysia)

DIRECTORS' FIT AND PROPER POLICY

1. Introduction

Metronic Global Berhad (“**MGB**” or the “**Company**”) is obliged to formulate a fit and proper policy for the appointment and re-appointment of Directors of the Company and its subsidiaries (“**Group**”) pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**MMLR**”).

The Directors’ Fit and Proper Policy (“**Policy**”) sets out the approach, guidelines and procedures to ensure a formal, rigorous, transparent process is being adhered for the appointment, re-appointment of the Directors of the Group.

2. Purpose

This Policy serves as a guide:

- 2.1 to ensure all Directors of the Group have the necessary character, experience, integrity, competence and time to effectively discharge their role as Directors of the Group; and
- 2.2 to the Nomination Committee of the Company (“**NC**”) and the Board of Directors (“**Board**”) in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election.

3. Fit and Proper Criteria

The fit and proper criteria of a Director include but not limited to the following:

3.1 Character and Integrity

- Is not or has not been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any impending proceedings or any investigations, which might lead to such proceedings.
- Is not or has not been subject to conviction by a court of law, whether within Malaysia or elsewhere, of an offence, involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly.
- Has not contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies.
- Has not perpetrated or participated in any business practices which are deceitful, oppressive improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct.
- service contracts (i.e. in the capacity of management or director) have not been terminated in the past due to concerns on personal integrity.

- Has not abused other position (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance.
- Manages personal debts or financial affairs satisfactory.
- Demonstrates ability to fulfil personal financial obligations as and when they fall due.
- Is of good repute in the financial and /or business community.
- Has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing entity for the past 10 years.
- Has not been substantially involved in the management of a business or company which has failed, where failure has been occasioned in part by deficiencies in that management.

3.2 Experience and Competence

- Possesses education qualification that is relevant to the skill set that is required to create a balance composition board.
- Has a considerable understanding of the industry that the Group is in as well as the risk and management of the Group.
- Possesses general management skills as well as understanding of corporate governance and sustainability issues.
- Keeps abreast of current development in the industry or profession by pursuing continuous professional development.
- Possesses leadership capabilities and a high level of emotional intelligence.

3.3 Time and Commitment

- Able to devote time as a board member, having factored other outside obligations including concurrent board positions held by the director across listed issuers and non-listed entities (including non-profit organizations).
- Able to attend and participate in board meetings, committees meeting and annual general meetings.
- Demonstrates willingness to devote time and effort to understand the Group's business, sustainability in terms of environment, social and governance.
- Exhibits ability to articulate views independently, objectively and constructively.
- Exhibits open mindedness to the views of others and ability to make considered judgement after hearing the views of others.

4. The Assessment

- 4.1 The fit and proper assessment on each director within the scope of this Policy document shall be conducted annually that may materially compromise a director's fitness and propriety.
- 4.2 The criteria set under item 3 shall be assessed individually, as well as collectively, taking into account their relative importance.

4.3 Failure to meet one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The Company should consider the specific circumstances surrounding a person's failure to meet specific factors, including the lapse of time since the occurrence of events, other contributing factors and the significance of the event from the perspective of potential risks posed to the Company.

4.4 The results of the assessments are part of the Company's internal documents and solely for the purpose of appointment and re-appointment of directors. It shall not be disclosed or provided to any other party.

5. Review of The Policy

The NC shall recommend any change or revision to the Policy as the NC deems appropriate to the Board for approval. The terms of the Policy shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements.

This Policy has been adopted by the Board on 29 June 2022.

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